

THE FRANKLIN COUNTY BOARD OF SUPERVISORS HELD A BUDGET WORK SESSION MEETING ON TUESDAY, MARCH 27, 2012 AT 5:00 P.M., AT THE SHOOOL BOARD OFFICE MEETING ROOM LOCATED AT THE SCHOOL BOARD OFFICE, 25 BERNARD ROAD, ROCKY MOUNT, VIRGINIA.

THERE WERE PRESENT: David Cundiff, Chairman
 Leland Mitchell, Vice-Chairman
 Bob Camicia
 Charles Wagner
 Cline Brubaker
 Bobby Thompson
 Ronnie Thompson

OTHERS PRESENT: Richard E. Huff, II, County Administrator
 Christopher Whitlow, Asst. Co. Administrator
 Sharon K. Tudor, MMC, Clerk

Chairman Cundiff, called the meeting to order.

G. B. Washburn, Snow Creek District, School Board member, thanked the Board for meeting with the School Board and to answer any questions they may have regarding the proposed School Board budget.

Dr. Charles Lackey, School Superintendent, presented the following documents for the Board’s review and consideration, pertaining to the proposed School FY’2012-2013 Budget.

**Franklin County Public Schools
School Budget County Revenues
Reconciled to County Budget Recommendation
2012-13
3/20/2012**

<u>Item Description</u>	<u>2011-12</u>	<u>2012-13</u>	<u>Difference</u>
Total County Revenues in Proposed School Budget	\$32,217,434	\$35,965,945	\$3,748,511
9.49 Funds for Operations	(0)	(1,630,075)	(1,630,075)
	(0)	(165,000)	(165,000)
9.52 School Capital Funds	(880,000)	(880,000)	(0)
9.54 Carryover of Energy Fund Reserve	(0)	(418,128)	(418,128)
9.55 Carryover from 2011-12	(0)	(1,417,555)	(1,417,555)
9.56 Capital Funds for Bus Purchases	(340,000)	(340,000)	(0)
9.57 Carryover for Bus Purchases	(477,543)	(760,296)	(282,753)
Adjusted Total	<u>\$30,519,891</u>	<u>\$30,354,891</u>	<u>\$(165,000)</u>
County Funds Budget Recommendation:			
Schools - Operations	\$27,629,908	\$27,629,908	\$0
Schools - Debt Service	2,856,997	2,691,997	(165,000)
Schools - Canneries	32,986	32,986	0
Total	<u>\$30,519,891</u>	<u>\$30,354,891</u>	<u>\$(165,000)</u>
Reductions Required By County Budget Recommendation:			
School Bus Purchases		\$1,100,296	
Facilities		880,000	
3% Pay Increase		1,630,075	
Other Unspecified Reductions		2,000,683	
County Revenue for School Bus Purchases		(1,100,296)	
County Revenue for Facilities		(880,000)	
County Revenue for 3% Pay Increase		<u>(1,630,075)</u>	

Total	<u>\$2,000,683</u>
-------	--------------------

Recapitulation of Possible Required Cuts:

Funds for Operations Difference	\$165,000
Energy Fund Reserve	418,128
Carryover from 2011-12	<u>1,417,555</u>

Total	<u>\$2,000,683</u>
-------	--------------------

Note: This does not include the additional cost of the County Budget recommendation to provide a 5.7% salary increase for full-time employees who then will pay 5% of their VRS retirement resulting in a net pay increase of 0%. Part-time employees would not receive raises.

Franklin County Public Schools
Possible County School Budget Recommendations for 2012-13
3/27/12

I. Reductions Required by County Budget Recommendations (If Carryovers are not Approved):

The following budget reductions/changes might be considered:

1.	Cut Transportation Fuel	\$ 79,090
2.	Cut Electrical Services	121,505
3.	Cut Heating Fuel Services	80,478
4.	Cut Health Insurance Increase	407,000
5.	Cut 1 Division Coordinator Position	76,645
6.	Cut 8th Grade BFMS Administrator Position	100,827
7.	Cut 7 Non-Classroom Professional Positions	419,767
8.	Cut 7 Resource Teacher Positions	453,085
9.	Revise State Sales Tax Estimate	100,000
10.	Institute Pay-to-Play at \$100 Level	
	FCHS Athletics (689) + BFMS Athletics (346) + FCHS	
	Marching Band (94) x 50%	56,450
	Cut 1 More Elementary and 1 More Secondary Teaching	
11.	Positions	
	(\$34,500 x 2 x 1.2693 + 10,800)	98,382
12.	Other Unspecified Budget Reductions	<u>7,454</u>
	Total Required Reductions/Changes	<u>\$2,000,683</u>

II. Use One-Time Carryover County School Funds to Reinstate Some Items for 2012-13:

Revenues:

1.	Energy Fund Reserve (EFR) (\$79,090 + \$121,505 + \$80,478 = \$281,073) (Note: This would leave EFR funds of \$137,055 + any additional Carry-over from 2011-12 for unused heating fuel services.) \$ 281,073	
2.	Carryover Funds from 2011-12	<u>1,417,555</u>
	Total Revenues	<u>\$1,698,628</u>

Expenditures:

1.	Restore Transportation Fuel	\$ 79,090
2.	Restore Electrical Services	121,505
3.	Restore Heating Fuel Services	80,478
4.	Restore Health Insurance Increase	407,000
5.	Restore 7 Non-Classroom Professional Positions	419,767
6.	Restore 7 Resource Teacher Positions	453,085
7.	Do Not Implement Pay-to-Play Revenues	56,450

8.	Restore 1 Elementary and 1 Secondary Positions	98,382
9.	Other Unspecified Budget Reductions	(17,129)
	Total Expenditures	<u>\$1,698,628</u>

Excluding the purchase of school buses, the one-time Carryover County Funds for Schools (\$281,073 + \$1,417,555 = \$1,698,628) \$1,698,628 could be used for one-year only to offset some of the reductions as shown above. We could agree in advance that this level of cuts will take place in 2013-14, unless we receive additional undedicated revenues in 2013-14 to offset these restored cuts.

NOTE: This does not include the additional cost of the County Budget recommendation to provide either a 5.7% salary increase for full-time employees who then will pay 5% of their VRS retirement resulting in a net pay increase of 0%, or a 5.0% raise/pay 5% VRS retirement. Part-time employees would not receive raises.

Franklin County Public Schools
Estimated Cost of Proposed Changes to Retirement
March 27, 2102

- I. 5.0% Pay Raise for Full-Time Employees / Employees Pay 5.0% of VRS Retirement
 - a. Additional Cost to Implement in 2012-13 - - - \$416,239
 - b. Additional Annual Cost to Implement Evenly Over a 5-Year Period - - - \$83,248
- II. 5.7% Pay Raise for Full-Time Employees / Employees Pay 5.0% of VRS Retirement
 - a. Additional Cost to Implement in 2012-13 - - - \$739,956
 - b. Additional Cost to Implement Evenly Over a 5-Year Period - - - \$147,991

Note:These General Assembly retirement bills have not yet been approved by Governor McDonnell. He may either veto them or amend them. The General Assembly House of Delegates / Senate budget compromise may also result in important changes to this retirement legislation. Accordingly, the net increased local costs resulting from this legislation have not been included within the Proposed School Budget for 2012-13, at this time.

FRANKLIN COUNTY PUBLIC SCHOOLS
BUDGET REDUCTIONS ALREADY MADE IN THE
PROPOSED 2012-13 SCHOOL BUDGET REQUEST
MARCH 27, 2012

<u>Description of Reductions</u>	<u>Amount</u>
Personnel & Benefits Estimates	\$ 750,000
Personnel & Benefits Estimates	251,322
Staff Development – Technology	25,620
Cosmetology	22,930
Travel (\$1,622 + \$3,466)	5,088
Science & English Writing Textbooks	1,590,107
Updated Science Resource Materials & Equipment	274,000
Early Retirement Savings	342,645
Division Staff Development	9,984
Teacher Training	12,710
Maintenance Plan	40,551
Cut 1 Teaching Position	50,000
Piedmont Regional Tech Prep Consortium	9,000
Professional Dues	10,945
Purchased Services – IA	15,516
Custodial Supplies	21,683
7 Bus Driver Positions	117,664

2 FCHS to CATCE/Public Safety Bus Routes	11,596
Sp Ed Purchased Services	23,300
5% Reduction of School Formula Budgets	89,901
School Board Travel	1,713
Cut Vacant District Position	77,299
Cut Vacant District Support Position (Retirement)	48,767
Cut 3 Vacant Secondary Elective Positions (Retirements)	148,456
Cut 2 Vacant Elementary Positions (Retirements)	98,382
Additional 5% Reduction of School Formula Budgets	89,901
Personal & Benefits Estimates	<u>200,000</u>
Total	<u>\$4,339,080</u>

General discussion ensued regarding the utilization of carry over funds within the proposed FY'2012-2013 school budget to restore cut positions.

Chairman Cundiff adjourned the meeting.

DAVID CUNDIFF
CHAIRMAN

SHARON K. TUDOR, MMC
COUNTY CLERK